

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 830

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

James G. Taylor

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; AMENDING THE PUBLIC  
EMPLOYEES RETIREMENT ACT TO ALLOW PURCHASE OF SERVICE CREDIT  
BY FORMER NEW MEXICO CONGRESSIONAL EMPLOYEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,  
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE. --

A. A member who entered a uniformed service of the  
United States may purchase service credit for periods of  
active duty in the uniformed services subject to the following  
conditions:

(1) the member pays the association the  
purchase cost determined according to Subsection E of this  
section;

underscored material = new  
[bracketed material] = delete

1 (2) the member has five or more years of  
2 service credit acquired as a result of personal service  
3 rendered in the employ of an affiliated public employer;

4 (3) the aggregate amount of service credit  
5 purchased pursuant to this subsection does not exceed five  
6 years reduced by any period of service credit acquired for  
7 military service pursuant to any other provision of the Public  
8 Employees Retirement Act;

9 (4) service credit may not be purchased for  
10 periods of service in the uniformed services that are used to  
11 obtain or increase a benefit from another retirement program;  
12 and

13 (5) the member must not have received a  
14 discharge or separation from uniformed service under other  
15 than honorable conditions.

16 B. A member who was a civilian prisoner of war  
17 captured while in service to the United States as an employee  
18 of the federal government or as an employee of a contractor  
19 with the federal government may purchase service credit for  
20 the period of internment as a civilian prisoner of war,  
21 provided that:

22 (1) the member provides proof of employment  
23 with the federal government or as a contractor to the federal  
24 government in a form acceptable to the association;

25 (2) the member provides proof of the period

underscored material = new  
[bracketed material] = delete

1 of internment in a form acceptable to the association;

2 (3) the member has at least five years of  
3 service credit acquired as a result of personal service  
4 rendered in the employ of an affiliated public employer;

5 (4) the aggregate amount of service credit  
6 purchased pursuant to this subsection does not exceed five  
7 years reduced by any period of service credit acquired for  
8 military service pursuant to any other provision of the Public  
9 Employees Retirement Act;

10 (5) service credit may not be purchased for  
11 periods of service in internment as a civilian prisoner of war  
12 if such periods are used to obtain or increase a benefit from  
13 another retirement program; and

14 (6) the member pays the association the  
15 purchase cost determined according to Subsection E of this  
16 section.

17 C. A member who was employed by a utility company,  
18 library, museum, transit company or nonprofit organization  
19 administering federally funded public service programs, which  
20 utility company, library, museum, transit company or nonprofit  
21 organization administering federally funded public service  
22 programs or federally funded public service programs  
23 administered by a nonprofit organization are subsequently  
24 taken over by an affiliated public employer, or a member who  
25 was employed by an entity created pursuant to a joint powers

. 165878. 1

underscored material = new  
[bracketed material] = delete

1 agreement between two or more affiliated public employers for  
2 the purpose of administering or providing drug or alcohol  
3 addiction treatment services irrespective of whether the  
4 entity is subsequently taken over by an affiliated public  
5 employer, may purchase credited service for the period of  
6 employment subject to the following conditions:

7 (1) the member pays the association the  
8 purchase cost determined according to Subsection E of this  
9 section;

10 (2) the member has five or more years of  
11 credited service acquired as a result of personal service  
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service  
14 purchased pursuant to this subsection does not exceed five  
15 years.

16 D. A member who was appointed to participate in a  
17 cooperative work study training program established jointly by  
18 the [~~state highway and~~] department of transportation  
19 [~~department~~] and the university of New Mexico or New Mexico  
20 state university may purchase credited service for the period  
21 of participation subject to the following conditions:

22 (1) the member pays the association the  
23 purchase cost determined according to Subsection E of this  
24 section;

25 (2) the member has five or more years of

underscored material = new  
[bracketed material] = delete

1 credited service acquired as a result of personal service  
2 rendered in the employ of an affiliated public employer; and

3 (3) the aggregate amount of credited service  
4 purchased pursuant to this subsection does not exceed five  
5 years.

6 E. Except for service to be used under a state  
7 legislator coverage plan, the purchase cost for each month of  
8 credited service purchased pursuant to the provisions of this  
9 section is equal to the member's final average salary  
10 multiplied by the sum of the member contribution rate and  
11 employer contribution rate, determined in accordance with the  
12 coverage plan applicable to the member at the time of the  
13 written election to purchase. The purchase cost for each year  
14 of credited service to be used under a state legislator  
15 coverage plan is equal to three times the normal member  
16 contribution per year of credited service under the state  
17 legislator coverage plan applicable to the member. Full  
18 payment shall be made in a single lump sum within sixty days  
19 of the date the member is informed of the amount of the  
20 payment.

21 The portion of the purchase cost derived from the employer  
22 contribution rate shall be credited to the employer's  
23 accumulation fund and shall not be paid out of the association  
24 in the event of cessation of membership. In no case shall a  
25 member be credited with a month of service for less than the

. 165878. 1

underscored material = new  
[bracketed material] = delete

1 purchase cost as defined in this section.

2 F. A member shall be refunded, upon written  
3 request filed with the association, the portion of the  
4 purchase cost of credited service purchased pursuant to this  
5 section that the association determines to have been  
6 unnecessary to provide the member with the maximum pension  
7 applicable to the member. The association shall not pay  
8 interest on the portion of the purchase cost refunded to the  
9 member.

10 G. A member of the magistrate retirement system  
11 who during [~~his~~] the member's service as a magistrate was  
12 eligible to become a member of the public employees  
13 retirement system and elected not to become a member of that  
14 system may purchase service credit pursuant to the public  
15 employees retirement system for the period for which the  
16 magistrate elected not to become a public employees  
17 retirement system member, by paying the amount of the  
18 increase in the actuarial present value of the magistrate  
19 pension as a consequence of the purchase as determined by  
20 the association. Full payment shall be made in a single  
21 lump-sum amount in accordance with procedures established by  
22 the retirement board. Except as provided in Subsection F of  
23 this section, seventy-five percent of the purchase cost  
24 shall be considered to be employer contributions and shall  
25 not be refunded to the member in the event of cessation of

. 165878. 1

underscored material = new  
[bracketed material] = delete

1 membership.

2 H. At any time prior to retirement, any member  
3 may purchase service credit in monthly increments, subject  
4 to the following conditions:

5 (1) the member has at least five years of  
6 service credit acquired as a result of personal service  
7 rendered in the employ of an affiliated public employer;

8 (2) the aggregate amount of service credit  
9 purchased pursuant to this subsection does not exceed one  
10 year;

11 (3) the member pays full actuarial present  
12 value of the amount of the increase in the employee's  
13 pension as a consequence of the purchase as determined by  
14 the association;

15 (4) the member pays the full cost of the  
16 purchase within sixty days of the date the member is  
17 informed of the amount of the payment; and

18 (5) the purchase of service under this  
19 subsection cannot be used to determine the final average  
20 salary or the pension factor or be used to exceed the  
21 pension maximum.

22 I. A member who was employed by the government  
23 of the United States as an employee of an elected member,  
24 representing New Mexico, of the United States house of  
25 representatives or the United States senate, may purchase

. 165878. 1

underscoring material = new  
[bracketed material] = delete

1 service credit for that period of employment subject to the  
2 following conditions:

3 (1) the member pays the association the  
4 amount of the increase in the actuarial present value of the  
5 pension of the member as a consequence of the purchase, as  
6 determined by the association;

7 (2) the member has five or more years of  
8 credited service acquired as a result of personal service  
9 rendered as an employee of an affiliated public employer;

10 (3) the aggregate amount of credited  
11 service purchased pursuant to this subsection does not  
12 exceed five years; and

13 (4) the member has not qualified for  
14 vesting in a federal government pension."

15 - 8 -